

Message Text

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ACTION EB-07

INFO OCT-01 EA-07 IO-10 ISO-00 XMB-02 FEA-01 AGR-05 CEA-01

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FM AMEMBASSY SINGAPORE

TO SECSTATE WASHDC 3492

INFO USDEL MTN GENEVA

AMEMBASSY BANGKOK

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

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C. OVERALL MTN APPROACH

IN SUM, SINGAPORE'S FOREIGN POLICY ORIENTATION IS OUTWARD AND OPEN, AND SEEKS ECONOMIC SURVIVAL AND GROWTH THROUGH A BALANCE BETWEEN ITS GLOBAL AND REGIONAL INTERESTS. ITS APPROACH TO MTN WILL REFLECT THIS POSITION AND THE SPECIFICS OF ITS TRADE POLICY WILL BE BASED ON A PRAGMATIC CALCULATION OF SINGAPORE'S INTERESTS. BY NECESSITY, IT FAVORS FREER TRADE AND WILL ATTACH CONSIDERABLE IMPORTANCE TO MTN NEGOTIATIONS. WHILE LOWER TARIFFS ON MANUFACTURED GOODS ARE MORE IMPORTANT TO SINGAPORE THAN COMMODITY AGREEMENTS, SINGAPORE WILL GENERALLY FEEL OBLIGED TO SUPPORT ITS ASEAN PARTNERS' POSITIONS ON COMMODITY QUESTIONS. IT WILL FEEL FREE, HOWEVER, TO ALSO ENTER INTO BILATERAL TALKS ON TARIFFS OR NTBS IF SUCH TALKS APPEAR TO OFFER SOME ADVANTAGE.

PART II COUNTRY POLICIES AND MECHANISMS TO ACHIEVE TRADE OBJECTIVES.

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A. GENERAL TARIFF POLICY: SINGAPORE TARIFFS ARE GENERALLY FEW AND LOW. THERE ARE PROTECTIVE DUTIES ON LESS THAN 100 ITEMS, INCLUDING CONSUMER PRODUCTS SUCH AS PERFUMES AND CLOTHING, ELECTRICAL APPLIANCES AND ROOM AIR CONDITIONERS, AND "NONESSENTIAL" FOODSTUFFS. MACHINERY, EQUIPMENT, AND RAW MATERIALS NOT OBTAINABLE LOCALLY FOR INDUSTRIAL PURPOSES ENTER DUTY FREE. IMPORT DUTIES MAKE UP APPROXIMATELY 14 PERCENT OF GOVERNMENT REVENUE. THESE ARE PRIMARILY ON LIQUOR, TOBACCO AND PETROLEUM PRODUCTS. TARIFFS ARE GENERALLY LOW ON BASIC CONSUMER GOODS AS A MEASURE TO KEEP DOWN INFLATION. LACK OF TARIFFS ON MOST CAPITAL AND INTERMEDIATE GOODS FACILITATES ENTREPOT TRADE AND LOCAL MANUFACTURING.

B. NON-TARIFF BARRIERS: GENERALLY NOT IMPORTANT. ALTHOUGH THERE ARE NO SIGNIFICANT QUANTITATIVE RESTRICTIONS, RICE IS SUBJECT TO IMPORT LICENSING. CUSTOMS CAN APPLY "UPLIFT", THAT IS, RAISE THE VALUATION FOR CUSTOMS PURPOSES OF ANY DUTIABLE ITEM. THIS HAS HAD THE EFFECT OF DESTROYING THE COMPETITIVENESS OF CERTAIN U.S. PRODUCTS SUCH AS APPLIANCES, HOME FURNISHINGS, AND ROOM AIR CONDITIONERS.

C. REGIONAL AND BILATERAL ISSUES: SOUTHEAST ASIA IS A MAJOR PRODUCER OF RUBBER, TIN, COPRA, PALM OIL, TIMBER, AND OTHER PRIMARY PRODUCTS. ALTHOUGH NOT ITSELF A PRODUCER, SINGAPORE BENEFITS IN MANY WAYS FROM THE PRODUCTION OF AND TRADE IN SUCH ITEMS WILL SUPPORT EFFORTS OF ITS ASEAN NEIGHBORS AND OTHER LDCS FOR DEVELOPED COUNTRY ACCEPTANCE OF COMMODITY AGREEMENTS. ON A BILATERAL BASIS, SINGAPORE'S INTERESTS ARE TO GAIN GREATER ACCESS FOR ITS MANUFACTURED PRODUCTS TO THE U.S. MARKET. SINGAPORE HAS HAD SOME SUCCESS IN GETTING CONCESSIONS ON GSP FROM THE EEC AND HOPES TO DO THE SAME WITH THE U.S. IT IS PARTICULARLY INTERESTED IN DETERMINING WHAT ELECTRONIC PRODUCTS THE U.S. WILL REGARD AS "SENSITIVE" IN OUR GSP. SINGAPORE WILL TRY TO EXPAND BOTH THE NUMBER OF PRODUCTS ELIGIBLE FOR GSP AND TO LOWER TARIFFS. IT WILL ALSO BE INTERESTED IN REMOVING NTBS IN SINGAPORE/U.S. TRADE.

D. MONETARY POLICY: SINGAPORE EXCHANGE RATES HAVE BEEN FLOATING SINCE JUNE OF 1974. THE FLOAT APPEARS TO BE FAIRLY CLEAN.

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E. OTHER POLICY INSTRUMENTS: SINGAPORE IS A MEMBER OF THE ASSOCIATION OF NATURAL RUBBER PRODUCING COUNTRIES (ANRPC) AND GENERALLY SUPPORTS ANRPC MEASURES TO LIMIT PRODUCTION (SINGAPORE ITSELF PRODUCES A NEGLIGIBLE AMOUNT OF RUBBER) AND TO ESTABLISH A BUFFER STOCK.

ANNEX A: KEY AGENCIES
THE KEY SINGAPORE AGENCY IN TRADE POLICY FORMATION IS THE DEPARTMENT OF TRADE IN THE MINISTRY OF FINANCE. IT WORKS CLOSELY

ON BROADER POLICY QUESTIONS WITH THE DEVELOPMENT DIVISION OF THE MINISTRY OF FINANCE AND ON REGIONAL ISSUES WITH THE MINISTRY OF FOREIGN AFFAIRS. THE DEPARTMENT OF TRADE AND THE MINISTRY OF FOREIGN AFFAIRS COORDINATE POLICY WITH OTHER ASEAN COUNTRIES BY THE GOS REPRESENTATIVE IN GENEVA SERVING AS A MEMBER OF THE ASEAN GENEVA COMMITTEE (AGC).

ANNEX B: KEY PERSONNEL

1. RIDZWAN B. DZAFIR, DIRECTOR OF DEPARTMENT OF TRADE.
2. TAN BOON SENG, DEPUTY DIRECTOR, MINISTRY OF FOREIGN AFFAIRS (SINGAPORE ASEAN SECRETARY).
3. TAN KENG JIN, DEPUTY PERMANENT REPRESENTATIVE TO THE UNITED NATIONS IN GENEVA. HOLDRIDGE

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